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State of Utah
Department of
Natural Resources

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Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 31, 2006

TO: John R. Baza, Director *JRB*
THRU: Mary Ann Wright, Associate Director, Mining *MAW*
FROM: Pamela Grubaugh-Littig, Permit Supervisor *PGL*
RE: Coal Regulatory Program 2006 Second Quarter Status Report –
Permitting, Compliance, and Administrative

PERMITTING

New Mines/Permit Extensions/Incidental Boundary Changes (IBC)

Lila Canyon Tract - Horse Canyon Mine (UtahAmerican Energy, Inc.)

Utah AmericanEnergy, Inc. (UEI) acquired the Horse Canyon Mine permit on December 21, 1998. The application for the permit extension to the Horse Canyon Mine was received on September 8, 1998. This application was determined incomplete on November 6, 1998 and returned to the applicant. The applicant resubmitted this application on December 21, 1998. This application was determined administratively complete on February 26, 1999.

A concern letter about loss of surface water was received on March 30, 1999 from Josiah K. Eardley in response to the publication notice. The Division responded in a letter to Mr. Eardley on April 7, 1999 with more information and notified him that he could request an informal conference if need be. No conference was requested.

The technical adequacy of this application involved six rounds of deficiencies from May 27, 1999 to March 9, 2001. Responses were received through May 24, 2001. All findings were made and the revised permit was issued on July 27, 2001. The Mining Plan Approval was signed by the Secretary on November 5, 2001.

Southern Utah Wilderness Alliance (SUWA) filed an objection to the permit on September 4, 2001 with the Board of Oil Gas, and Mining. Determination of the type of hearing and the administrative record was heard during

the September 26, 2001 Board hearing and the October Board Hearing. It was ordered by the Board that this was an appellate hearing. The merits of the case were heard on December 4, 2001. The Board issued its Order on December 14, 2001 that reversed the Division's decision to issue the permit of July 27, 2001 and the permit was denied.

The Division responded to the Board's remand Order and submitted to the Board on January 10, 2002 a request for rehearing and a response to the Board Order. At the January 23, 2002 Board Hearing, the Board ordered the Division to "continue processing the permit". UEI submitted an application on February 11, 2002 with supplemental information on February 19, 2002. The Division determined the new permit application administratively complete on February 25, 2002. Technical deficiencies were sent on March 26, 2002, with a response due on April 30, 2002. The public comment period ended April 22, 2002.

SUWA requested an informal hearing on March 22, 2002, but withdrew. SUWA resubmitted a request for a hearing at the end of the public comment period, April 22, 2002. An informal hearing was held on May 21, 2002. The Order from the Hearing stated that the Division would consider the materials submitted at the informal conference during the normal course of its ongoing review of the new permit and that the Division would issue a decision to grant or deny the permit application in whole or part and provide its reason for the decision by July 22, 2002. The Division met informally with UEI on June 17, 2002 to discuss its ongoing review of the new permit application.

The Division sent the decision that the application was denied in part on July 22, 2002. UEI filed a motion with the Board, and SUWA subsequently filed the same motion, to maintain their right to appeal the Division's decision, when appropriate. The Board decided at the September 2002 Board hearing to maintain both appeal rights for SUWA and UEI when the Division makes a final decision on the permit extension application (Lila Canyon) to the Horse Canyon Mine.

UEI submitted a response to the deficiencies on December 6, 2002. The review was sent on April 9, 2003 with deficiencies. The applicant was advised that the application must again respond to all of the deficiencies completely and adequately in the next response.

The response was received on February 26, 2004 and was reaffirmed to be administratively complete on March 26, 2004. The application was published and the publication ended on May 27, 2004. SUWA requested an informal conference, which was held on July 7, 2004. The Order from this informal conference was issued on July 30, 2004.

The technical review was sent on November 30, 2004 and did not

incorporate the comments from the informal conference but did encourage the application to address issues identified during the informal conference.

UEI submitted a response to deficiencies on February 28, 2005. On March 30, 2005 UEI submitted a response to comments from SUWA concerning the Lila Canyon Mine.

The Division sent their review on May 23, 2005 and UEI responded on June 15, 2005. A deficiency review was sent to UEI on August 19, 2005. The Division and UEI met on August 23, 24, and 25, 2005 to resolve outstanding deficiency issues.

Due to the order from the July 2004 Informal Conference, the Division sent the Technical Analysis to UEI, Emery County, and SUWA on September 21, 2005. SUWA requested a continuation of the informal conference and this conference was held on November 8, 2005 and this conference officially closed on November 18, 2005.

A meeting was held with SUWA on December 8, 2005 and with UEI on December 20, 2005. UEI submitted more information on December 9, 2005 and January 3, January 9, January 20, January 30, February 3, and February 14, 2006.

On January 19, 2006, the Division notified UEI that the approved R2P2 for the Lila Canyon extension (approved by BLM in March 2000) included mining in an area that was removed from the permit area sometime in 2002. This situation was rectified by UEI and the permit area remained the same and the R2P2 was modified.

The Environmental Assessment for this project done by the BLM (Record of Decision on October 26, 2001) did not include consultation with Native Americans. This Section 106 process is underway. Letters of request from the Division for information and consultation to Native American tribes, local governments, SUWA (as a consulting party) and UEI were sent on January 13, 2006. SUWA sent a concern letter about consultation which was received on February 14, 2006. Clarification letters were sent to all consulting parties on March 13, 2006 as supplemental information about the area of potential effect for the project. SUWA and the Hopi tribes sent concern letters on March 27, 2006.

OSM/DOGM and UEI met on May 9, 2006 about more cultural resource work. UEI submitted a proposal on May 16, 2006 and on their own volition chose to have the archeological consultants start on May 22, 2006. SUWA/Hopi/SHPO and OSM commented on the May 16, 2006 proposal and these comments, requiring more work were forwarded to UEI. UEI sent the results of the original proposed work to the Division on June 21, 2006.

The Division met with SHPO and staff from the Governor's Office of Public Land Policy Coordination Office about the proposal and decided that supplemental work needed to be done. The Division will meet with UEI and outline the supplemental survey work needed.

SUWA sent a GRAMA request to the Division on May 31, 2006 and the Division prepared the documents within the requisite time frame.

It was verified on an interagency call on January 6, 2006 that the EA for this project analyzed the entire project area (5500 acres).

Federal Lease Addition - Bear Canyon Mine

An application to add 7504.36 acres of fee and federal acreages to the Bear Canyon Mine was submitted on July 22, 2005 (about 50% of the area is in the Manti LaSal National Forest). This application was determined administratively complete on September 18, 2005. The public comment period ended on November 11, 2005 with no public comments. There have been several meetings with the BLM, Forest Service, the Division, and the operator concerning the NEPA for this project. Supplemental information is being collected for the NEPA adequacy. The technical deficiencies were sent on July 7, 2006.

Incidental Boundary Change – Mill Fork West, Deer Creek Mine

An incidental boundary change to add 214 acres to the Deer Creek Mine was submitted on May 30, 2005. This action will require Mining Plan Approval because it is a new lease. The technical review is underway.

New Permit – Coal Hollow Mine, Alton Coal Development, LLC

A new permit application for fee surface/fee coal (635.64 acres) was submitted to the Division on June 27, 2006. An administrative completeness review is currently underway.

Division Orders

West Ridge Mine (West Ridge Resources, Inc.)

Division Order DO-00A was issued on April 16, 2000 and information was initially required to be submitted on June 16, 2000 and was extended to July 14, 2000 and then September 18, 2000. The response was received on September 18, 2000 and a response was sent December 18, 2000. The operator response was received on March 16, 2001 and the Division returned the entire submittal on May 11, 2001. The entire response to the Division Order was resubmitted on July 2, 2001, the deficiency response was sent on October 22, 2001.

This information was submitted on January 15, 2002 and the review was sent April 10, 2002 requiring more information.

A meeting was held at the Division on June 14, 2002 to discuss exactly what was needed. Another extension until August 15, 2002 was granted for the submittal of all the requisite information. The response was submitted that date and another deficient review was sent on November 26, 2002. A response was due on January 21, 2003, but more specific information was received on that date and an extension until February 21, 2003 was granted to incorporate that information into the mining and reclamation plan. Another extension was granted until March 14, 2003.

The Division sent the deficiency response with the caveat that the highwall can be reclaimed currently at the angle of repose. To reclaim the highwall to a steeper angle will require more information. The Division sent a request to OSM on July 3, 2003 about a possible change in the experimental practice for a determination if the change would be significant. OSM determined that this is not a significant change to the experimental practice.

A meeting was held on July 15, 2003 to discuss the steep slope reclamation. After a lengthy discussion, West Ridge Resources, Inc. decided that they would submit a reclamation plan for the highwall at a lesser slope angle. The Division granted an extension to May 31, 2004 for all of the requisite information for this revised plan. The information was received on June 1, 2004 and the technical review was completed on September 15, 2004. A meeting was held with the operator to discuss this review on November 22, 2004 and understandings were reached. West Ridge Resources, Inc. should have resubmitted all the required information on February 15, 2005, but was granted an extension until April 4, 2005 due to all of the critical permitting actions at West Ridge Mine.

This response was received on April 29, 2005 and has been reviewed. The technical staff met with personnel from West Ridge and a response was received on February 24, 2006 and received final approval on May 16, 2006!

Wildcat Loadout (Andalex Resources)

The Division sent a Division Order to Andalex Resources, Inc. for the coal fine issue on December 10, 2004. A response from the operator was received on March 15, 2005 and the review was sent on November 3, 2005. The applicant responded on January 3, 2006 and this submittal has been reviewed. A letter from the Associate Director will be sent in the near future.

Permit Renewals

Three applications for permit renewal were processed during the

second quarter of 2006: Willow Creek Mine, Horse Canyon Mine, and the Horizon Mine.

Willow Creek Mine

This permit renewal application was submitted on December 1, 2005 and determined administratively complete on December 15, 2005. The permit was renewed on April 23, 2006.

Horse Canyon Mine

This permit renewal application was submitted on January 6, 2006. The application was determined administratively complete on February 1, 2006. This permit was renewed on May 6, 2006.

Horizon Mine

This permit renewal application was submitted on May 15, 2006. The application was determined complete on June 5, 2006. This permit should be renewed on October 11, 2006.

Midterms

The Skyline Mine midterm review was completed, the Dugout Mine midterm continued, and the Crandall Canyon Mine midterm commenced.

Skyline Mine (Canyon Fuel Company, LLC)

The Skyline Mine midterm commenced on November 18, 2004. The review was sent on April 13, 2005. The bond information was sent in March 2006. This midterm was approved on May 5, 2006.

Dugout Mine (Canyon Fuel Company, LLC)

The midterm for the Dugout Mine commenced on October 13, 2005. The review was sent on December 16, 2005. The operator was granted an extension until June 30, 2006 to respond and sent in the response on May 19, 2006. This response is currently under review.

Crandall Canyon Mine (Genwal Resources, Inc.)

The midterm for the Crandall Canyon Mine commenced on February 9, 2006. The review was sent on May 2, 2006 and the response was received on July 21, 2006 and is currently under review.

Permit Transfers

No permit transfers were processed during the second quarter of 2006.

Bond Releases

Five bond release applications continued to be processed during the second quarter of 2006: two Phase I bond releases at Castle Gate Mine: the remaining portions of Sowbelly and Hardscrabble and Adit #1 were approved as well as the Phase I bond release for Willow Creek Mine's Gravel Canyon; Phase II bond release at Gordon Creek #2, #7 and #8 Mine is still being processed.

Three Phase III bond release applications were also processed during the second quarter: two for the Willow Creek Mine (Phase III at the preparation plant and mine buildings), and the Horse Canyon Mine. Three Phase I bond release applications were processed: two at Willow Creek Mine refuse pile and the overland conveyor corridor and the Des-Bee-Dove Mine.

Castle Gate Mine – Phase I at Sowbelly and Hardscrabble Substations and Adit #1 (Plateau Mining Corporation)

The Sowbelly and Hardscrabble remaining Phase I bond release applications for these sites as well as Adit #1 were submitted on January 31, 2005. The plans were approved in July 2005. The bond release inspection was conducted on September 8, 2005. The Decision Document was sent to OSM on February 16, 2006 for their concurrence. OSM concurrence was granted on March 17, 2006. Final approval was granted on May 1, 2006.

Willow Creek Mine – Phase I at Gravel Canyon (Plateau Mining Corporation)

Phase I bond release applications were submitted on May 5, 2005 and the plan was approved in July 2005. The bond release inspection was conducted on September 8, 2005. The Decision Document was sent to OSM on February 16, 2006 for their concurrence. OSM concurrence was granted on March 17, 2006. Final approval was granted May 1, 2006.

Willow Creek Mine – Phase III at Preparation Plant and Phase I at Refuse Pile (Plateau Mining Corporation)

Phase I bond release for most of the refuse pile and phase III for most of the preparation (now owned application Price Water Improvement District) was submitted on September 19, 2005 and was returned for more information. This application was resubmitted on February 8, 2006 and has been reviewed and is

almost complete. A bond release inspection was conducted on May 11, 2006. The decision document and request for OSM concurrence was sent on July 20, 2006.

Willow Creek Mine – Phase III at Mine Facilities and Phase I at Overland Conveyor Corridors

Plateau Mining Corporation submitted a Phase III bond release application for the mine facilities and Phase I for the overland conveyor corridor on May 5, 2006. Due to the urgency to transfer the ownership of the mine buildings to the College of Eastern Utah for the Western Energy Training Center, this bond release was a priority item. A bond release inspection was conducted on June 8, 2006. OSM concurrence was granted on June 27, 2006 and a conditional approval (conditioned upon the transfer of the property) was signed by the Director on July 6, 2006. The property was transferred on July 13, 2006 and recorded on July 21, 2006 at the Carbon County Recorder's Office.

Gordon Creek #2, #7 and #8 Mine- Phase I (Mountain Coal Company)

The Phase II bond release application was submitted on December 12, 2005 for Gordon Creek #2, #7 and #8 Mine. The deficiency was sent on February 28, 2006.

Des-Bee-Dove Mine – Phase I (PacifiCorp)

The Phase I bond release application for the Des-Bee-Dove Mine was submitted on January 3, 2006. A deficiency review was sent on March 10, 2006. The bond release inspection was conducted on June 29, 2006. The decision document is being prepared to send to OSM for their concurrence.

Horse Canyon Mine – Phase III (UtahAmerican Energy, Inc.)

The Phase III bond release application for the Horse Canyon Mine was submitted on January 3, 2006. A deficiency review will be sent in April 2006.

Bond Changes

There were no bond changes during this quarter.

Reclamation

Willow Creek Mine (Plateau Mining Corporation)

Plateau Mining Corporation submitted a permanent cessation notice to the Division for Willow Creek Mine on September 5, 2002. Reclamation

commenced at the end of 2002. It was decided to reclaim the preparation plant as well. The conveyor was dismantled during the second quarter of 2003 and the process building in the fourth quarter of 2003. Demolition of the remaining buildings at the preparation plant continued during the first quarter of 2004.

The backfilling of the Crandall Canyon shafts was completed in August 2003 and reclamation at the Crandall Canyon area was completed on November 20, 2003. The Crandall Canyon shaft backfilling settled and has received additional backfill.

The Schoolhouse Canyon reclamation commenced in January 2004. Highwall reclamation behind the offices commenced and continued during the second quarter. All reclamation work (except removal of the loadout) was completed on October 4, 2004. The loadout was removed in December 2005. The concrete pad was removed on April 13, 2006.

White Oak Mine (Lodestar in Chapter 7 Bankruptcy)

The Division issued the Determination to Forfeit at the White Oak Mine on May 1, 2003. Chapter 7 was filed by Lodestar Energy, Inc. on July 15, 2003. The Division negotiated with the Bankruptcy Trustee and Frontier Insurance to stabilize this site. The amount of \$999,000 was escrowed from Frontier Insurance Company on October 3, 2003. Ledcor (the Frontier contractor) started work at the White Oak Mine on October 13, 2003. Ledcor (the contractor for Frontier) left the site for the winter on December 17, 2003. Reclamation work at the White Oak Loadout is being done by the Mark Wayment group. The bonded amount of \$4,292, 000 has been removed from the current reclamation bonding amounts.

On August 18, 2004, Lodestar trustee Bill Bishop filed the master settlement between various parties (including Renco and Wexford Capital) for reclamation in a "General Settlement Fund" outside of the Lodestar bankruptcy estate. Utah received \$1.217 million dollars as part of this Settlement Agreement.

The contract with the Frontier contractor, Ledcor, was terminated by the Division and on September 8, 2004, a withdrawal from the Escrow Fund in the total amount of \$318,128.60 was requested for transfer to the state of Utah, Division of Oil, Gas and Mining, for the sole benefit of reclamation of the Lodestar Energy, Inc.'s Whiskey Creek Mine.

VCM contractors were awarded the contract for reclamation at the Whiskey Creek Mine. Reclamation work started on October 4, 2004 and ended on November 4, 2004. Work resumed on June 13, 2005 and was completed on November 1, 2005.

Reclamation at the White Oak loadout included: reclamation of pond (002A) by the road to the site (middle pond), regrading slope by the highway, and shaping the corner of pond 003A (up canyon side – in the area where stacking was located). Reseeding on the west side of the tracks from the north end to the middle of the site and from the middle of the site and south (up canyon) will all be seeded on both sides of the railroad tracks.

Pond 001A (farthest north – down canyon) was not being reclaimed due to ROW issues with the railroad. This reclamation work was completed on November 4, 2005.

AMR program administered the reclamation work at these sites. Weed control work was in June and July of 2006. There will be one more spraying this year and three times annually for the next two years at the mine and loadout.

Water Replacement

It was discovered in the spring of 2006 that the extraction of the 5th Left Pines East longwall panel in the SUFCO Mine had caused the loss of spring flow from the Pines 105 spring, which was the water source for the cattle troughs referred to as North Water. It was determined that these water sources (Pines 105 and Joes Mill Pond spring) were affected by subsidence. The regulations would generally require water replacement. However, in this case there were no water rights and the Division made a finding of material damage on the water source on May 22, 2006 for action to be taken by the mine operator. A cracking repair plan was approved on June 9, 2006 as a temporary stock watering-plan for cattle to graze in the allotted area.

The Division also requested that the Permittee develop a long-term mitigation plan to ensure future grazing on the Manti LaSal Forest Service lands. An investigation, as the preliminary step for the long-term mitigation plan, was approved on July 26, 2006.

Permit Changes

There were 19 amendments received and 18 amendments were approved during the second quarter of 2006.

Exploration

Two SITLA exploration projects were approved during the second quarter of 2006: SUFCO Mine's Muddy Tract and the Deer Creek Mine's Mill Fork Tract. The Division continued to do more work on the Kinney #2 Mine. Recommendations were sent to the BLM for the SUFCO federal Muddy Tract and Skyline's Granger Ridge.

COMPLIANCE

There were 46 partial inspections, 29 complete inspections and one exploration inspection and three bond release inspections were conducted from April 1, 2006 to June 30, 2006. Two inspections were conducted at potentially permitted sites: COVOL and DTE. Three violations were issued during the second quarter of 2006: Bear Canyon Mine (2) and Skyline Mine. No cessation orders were issued.

Four mines were inspected with only a complete inspection during the first quarter of 2006 due to temporary cessation: Banning Loadout (March 7, 2000), Soldier Canyon Mine (March 25, 1999), Trail Mountain Mine (May 2, 2001), and Cottonwood/Wilberg Mine (May 24, 2001). The Horse Canyon Mine is inspected once quarterly because they have received Phase II bond release in April 2002.

Willow Creek Mine went into temporary cessation on December 11, 2000 and into permanent cessation on September 5, 2002. Star Point Mine went into temporary cessation on February 11, 2000 and into permanent cessation on June 5, 2000 and is inspected monthly. Des-Bee-Dove Mine commenced reclamation and has been inspected monthly since September 1999. Emery Deep was put on a monthly inspection basis during the first quarter of 2002.

Star Point Mine Refuse was added to the inspection list in December 2003, there are now twenty-four operations inspected monthly. The forfeiture sites are inspected annually.

Citizen Complaints

There were no citizen complaints filed during the second quarter of 2006.

OSM/Utah Coal Regulatory Program Evaluation

Regulatory Program Evaluation Agreement for the OSM/Utah Annual Evaluation Plan for the period from July 1, 2006 through June 30, 2007 was signed on July 1, 2006 and included the list of the proposed joint complete oversight inspections and the evaluation topics for the 2007 evaluation year.

There were two joint OSM/Utah complete inspections conducted during the second quarter of 2006: Wildcat Loadout on May 9, 2006 and the Centennial Mine on May 10, 2006.

The topics for EY 2006 that were completed are:

- Coal Tracking System (CTS) Electronic Permitting (Benchmarking topic)
- Impacts to Archeological sites by coal mining (Offsite impacts).
- Postmining Land Use Changes – have they been implemented and how many have changed? (Reclamation Success)

The topics for EY 2007 include:

- Coal exploration (Reclamation Success)
- Alternative Sediment Control (Offsite Impacts)
- Division Website (Customer Service)

These topics will be evaluated during this evaluation year.

ADMINISTRATIVE

Board Matters/Rulemaking

732 Rules (UT-038-FOR)

This program amendment was approved with stipulations by OSM through Federal Register notice on April 24, 2001, effective on that same date. As a follow-up to these stipulations, legislation regarding increasing the production limits for operators who want to apply for the Small Operator Assistance Program (SOAP) grants from 100,000 tons to 300,000 tons per year to be consistent with OSM/Federal regulatory language passed during the 2002 legislative session as SB72.

The SOAP part of this topic was submitted to OSM on October 22, 2002 and was numbered UT-042-FOR. A response was received from OSM on February 21, 2003 requesting some minor changes to the proposal. The Division needs to clarify one change and make a minor adjustment. A DOGM response is not possible due to other legislative priorities in the 2005 Session. A bill was included in the Division's legislative initiative for 2006.

On June 9, 2005, OSM asked about the status of making the SOAP-related changes in 2006. The change in the statute was sponsored by Senator Mike Dmitrich and approved at the 2006 legislative session. The rules will now need to be revised.

Formal Rulemaking

The proposed rule changes to R645-100-200-General Contents; R645-303-200 – Coal Mine Permitting, Change, Renewal and Transfer, Assignments or Sale of Permit Rights; R645-301-500- Engineering; and R645-401-

Inspection and Enforcement: Civil Penalties were published in the Utah Bulletin on November 15, 2003 and the Board conducted a formal hearing to listen to verbal comments on December 3, 2003. The record was held open for written comments to be submitted by December 15, 2003. A report to the Board and a request to adopt the rule changes was made to the Board on January 28, 2004. The Board agreed to proceed with Formal rulemaking at the January hearing and each of the rule changes was made effective on February 6, 2004 through a filing at the Division of Administrative Rules.

These rules were submitted to OSM on November 28, 2005 as a program amendment. These rules were published in the Federal Register on February 13, 2006. The Coal Mine Permitting section (R645-303-222 cannot be changed because it is not consistent with the statute) and will be handled through future rulemaking.

Five-Year Review

The five-year review of R645-106 was initiated at the February 2006 Board hearing and was made effective on May 17, 2006. OSM had a change that will be handled as a non-substantive change through DAR.

The following sections of the Coal Rules are due for renewal in March 2007:

R645-100	R645-200	R645-300	R645-402
R645-103	R645-201	R645-301	
R645-105	R645-202	R645-302	
		R645-303	

Public Outreach

Interagency Conference Calls

The Division discusses coal mining issues monthly with the BLM, Forest Service, SITLA, and OSM either by conference call or via a face-to-face meeting and takes the lead by preparing agendas and leading the discussion for these calls or meetings. These conference calls promote communication among the agencies that are involved with coal mine permitting.

An interagency meeting was held at the Price BLM on April 12, 2006 and interagency calls were conducted on May 17 and June 15, 2006.

A sub committee of the interagency group entitled, "Interagency Coal Operating Procedures" (ICOP) Committee met on July 22 and 23, 2003 in Park City with two representatives from each agency to discuss coordination issues and prepare a "working agreement" as well as the role of "consult" or "consent" for

permitting actions.

The ICOP committee met several more times to flush out the working agreement with 5 appendices. Three basic issues were also identified that needed to be addressed by the Coal Managers.

- Does the Forest Service have authority to impose restrictions on subsidence in leases under authority granted under the Mineral Leasing Act of 1920, as amended and in mine permits under authority of the Surface Mining Control and Reclamation Act of 1977 and implementing regulations, that the agency determines necessary for the protection of non-mineral interests?
- For proposed operations on NFS lands/Federal coal, is Forest Service concurrence to post-mining land uses and measures for the protection of non-coal interests required for mine permit changes that are determined by OSM not to constitute Mine Plan Modifications under the Mineral Leasing Act under 30 CFR 944.30 Art. VI(B)(5)?
- For operations on NFS lands/State coal (Utah School Lands Exchange Act), is Forest Service concurrence to post-mining land uses and conditions for protection of non-mineral interests required prior to permit issuance/change or is only non-binding consultation required?

The ICOP committee presented the draft working agreement to the Coal Managers on November 13, 2003. The Coal Managers met on December 9, 2003, January 8, 13, and 20, 2004. The Managers at the Office of Surface Mining (Allen Klein, WRCC, Regional Director and Jim Fulton, WRCC, Field Office Director), Bureau of Land Management (Sally Wisely, Utah BLM Director), Forest Service (Alice Carlton, Forest Supervisor, Manti LaSal National Forest and Jack Troyer, Regional Forester), Division of Oil, Gas, and Mining (Lowell Braxton, Director and Mary Ann Wright, Associate Director of Mining) met on January 23, 2004 to further discuss the issues.

Coal managers met on May 13, 2004 in Price as well as on June 17, 2004 where the Forest Service made a PowerPoint presentation suggesting resolution to the three-above-noted issues and again on September 16, 2004.

The ICOP group met on November 10, 2004 to finalize changes to the Working Agreement and the Attachments. A tentative date of December 6, 2004 was set for signing the Working Agreement, but was delayed to several more changes that will need to be made after the first of the year. Tentative changes to the ICOP agreement were sent to the ICOP in early April 2005 and May 2005. The ICOP group finalized the draft agreement and sent it to the Coal Managers in July 2005.

The coal managers met on July 22, 2005 and wanted the draft ICOP agreement to be implemented for six months and then evaluate the situation in February 2006.

Due to issues with the "consent" letter required for the mining plan approval for the Deer Creek Rilda Facility, the implementation of the ICOP agreement did not work well. A letter was sent to OSM on September 7, 2005 by the Division requesting assistance with the resolution of conflicts between the Division and the Forest Service.

A Coal Managers Meeting that included FS, BLM, SITLA, OSM and DOGM was held on November 29, 2005. A high-level coal managers' meeting was held on January 11, 2006 with representatives from OSM, FS, and DOGM to discuss the resolution of conflicts between the Division and the Forest Service. Another meeting was held on March 23, 2006 with continued discussions. The May 16, 2006 meeting proposed possible resolutions. The Bear Canyon Mine lease additions is the test case for all of the agencies to identify issues early and meet often.

The Utah Cooperative Agreement is being revised to resolve issues and clarify the roles of the federal land management agency in the Utah Coal permitting process. These changes will be sent to OSM.

Another subcommittee of the interagency group is the wildlife subcommittee. This group was initially organized to review "exclusionary periods" and determine if any variances are possible. The group will present their draft charter at the August 16, 2006 Coal Managers meeting and hopefully be chartered by that group. There are productive outcomes being developed and implemented by the group.

Water User Outreach

The quarterly Division water user group outreach meeting was held on April 12, 2006 in Emery County with coal operators and water users to discuss water issues.

OSM – Alternative Enforcement Class

Early Bandy, Chief of the Applicant Violator System, and John Austin, Attorney for the Department of Interior Solicitor's Office, taught the Alternative Enforcement Class at the Division offices on June 6 to the entire coal staff. On June 7, 2006, the class toured the White Oak Mine and Loadout Bond forfeiture site.

Division/MSHA Meeting

The Division met with the staff from MSHA in Price to discuss the agency roles on May 23, 2006.

Coal Teams

There are several coal teams that meet regularly to refine the issues identified within the Coal Regulatory Program:

- Hydrology Working Group - develop procedures and set standards that provide consistent quality and coordination for data entry and interpretation and assistance in resolution of identified hydrologic issues.
- Subsidence Team - develop advisory guidelines for the subsidence control plan as outlined in R645-301-525.
- Process Team - define workflow process and procedures for the regulatory program.

Attachment: Permit Acreages

cc: Wayne Hedberg
Susan White
Paula Dupin-Zahn
Jim Springer
Price Field Office
Public Information Center

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UTAH MINES - PERMIT ACREAGE (June 30, 2006) (with forfeiture sites)				
Mine Name	Federal Lands	Non-Federal Lands	Disturbed Area	Permit Total
Banning	24.42	12	21.6	36.42
Bear Canyon	6,450.07	4469.47	40.46	10,919.54
Blazon* (Forfeited - Reclamation Completed on October 4, 2000)		7	7	7
Boyer* (Forfeited - Reclamation completed on November 20, 1997)		129	129	129
Castle Gate	5115.57	2503.43	63	7619
Centennial	5,436.04	1165.98	35.27	6602.02
Coal Hollow	200	435.64	548	635.64
Convulsion Canyon (SUFCO)	26,086.95	680	27.364	26,766.95
Cottonwood/Wilberg	6786.88	100	62.82	6886.88
COVOL				
Crandall Canyon	4,499	1,736.8	10.7	6,235.8
Deer Creek	15,473.36	6740.34	97.44	22,213.70
Des Bee Dove		154.86	23.88	154.86
Detroit Edison (DTE)				
Dugout Mine	2804	6667	51.1	9471
Emery Deep	805	4603	289.6	5408
Gordon Creek #2, #7, & #8		179.27	34.15	179.27
Gordon Creek #3 & #6 *(Final bond Release 5/22/98)				
Hiawatha	5,724	6,453	290	12,177
Hidden Valley		960	6.7	960
Horizon	1272	305	9.5	1577
Horse Canyon	5203.17	788.9	122.49	5992.07
Huntington #4 *(Final bond release 5/22/98)				
J.B. King * (Final bond release on 3/24/2000)				
Knight* (Final bond release 4/20/98)				
New Tech* (Forfeited reclaimed, Exploration, not perm. Program)		3	3	3
Savage Coal Terminal		160	122.28	160

Skyline	9736	638	79.12	10,374
Smoky Hollow*				
Soldier Canyon	4329.15	2295.49	24.32	6624.64
Star Point	6,786.55	2,133.36	113.34	8919.91
Star Point Waste Fuel (Refuse)	152.81		88.78	152.81
Summit Minerals* (Forfeited - Reclamation Completed on April 17, 1997)		14	14	14
Sunnyside (Forfeiture 11/22/96 - Reclamation Complete on 7/1/99)		287.4	287.4	287.4
Sunnyside Cogeneration		310	202	310
Trail Canyon (Final bond release on 12/28/2000)				
Trail Mountain	3,485	54	10.69	3,539
Wellington Prep Plant		1573.5	392	1573.5
White Oak #1 & #2	2,518.59	1387.41	151.1	3906
Wildcat Loadout	100		63.7	100
Willow Creek	4,974.49	9,688	154.04	14,662.49
West Ridge Mine	4,297.01	1817.88	29.06	6114.89
TOTALS	121, 046.43	59,666.36	3383.44	180,712.79

Notes:

Phase III bond release sites:

Gordon Creek #3 and #6 Mine (final Phase III bond release on 5/22/98, state coal leases terminated) (17.3 acres released)

Huntington #4 Mine (final Phase III bond release on 5/22/98, coal leases terminated)(12.5 acres released)

Knight Mine (final phase III bond release 4/20/98) (40 acres released)

J.B. King Mine (final Phase III bond release on 3/24/00)

Trail Canyon Mine (final Phase III bond release on 12/22/00, fee coal)

Forfeiture sites:

Blazon Mine - reclamation administered by AMR - reclaimed 10/14/00)

Sunnyside Mine - reclamation administered by AMR - reclaimed 7/1/99)

Summit #1 Mine – reclamation administered by AMR – reclaimed 2/12/99

Boyer Mine - reclamation administered by AMR – reclaimed 4/17/97

Black Jack #1 Mine - reclamation administered by AMR – reclaimed 11/92

Information Prior to 1999

Hidden Valley Mine (Phase I, leases terminated)

Gordon Creek #2.#8 and #7 (Phase I bond release in reclamation, leases terminated)

Smoky Hollow Mine (Application withdrawn 1/22/97)

Castle Gate Mine (in reclamation, different parts of phased reclamation)

Des-Bee-Dove Mine (final release of 93.18 acres, haul road on 9/1/98)

Horse Canyon Phase I (61.65 acres)

SUFCO Mine added 27.03 federal acres on 1/19/99 (ROW/IBC)

SUFCO Mine added 150 federal acres (Modification of Quitchupah Lease), 3/99

SUFCO Mine added 7172 federal acres (Pines Tract Lease Addition), submitted 7/16/99, MPA on 7/20/2000 (includes 160 acre ROW, approved 9/2/99)

Bear Canyon Mine added Wild Horse Ridge, 1261.71 federal acres and 696.72 non-federal acres, submitted 3/99

Horizon Mine, federal lease addition 1288.49 acres of federal coal, only 317.5 acres of non-federal, CO issued, will submit in 11/99

Dugout revision, submitted 5/21/99, MPA approved 8/2/2000; added 2416 acres of federal coal and 718 acres of non-federal

Horse Canyon (Lila Canyon), added 1531.1 acres of federal and 1610.73 acres of non-federal, DOC in 6/99

Crandall Canyon, 50 Acre IBC approved 9/29/99 (federal)

Changes made in reporting of 10/21/99

Emery Deep, Star Point and Wellington Preparation Plant acres were verified by inspectors and permittees.

***Emery Deep** disturbed area changed to 40 acres (verified by permittee)

***Star Point Mine** - Non federal portion increased by 26 acres, due to error found in not accounting for offsite waste rock site

***Wellington Preparation Plant** - Nonfederal in error. Inspector verified that 1699 acres is the correct permit acreage.

Changes in April 1998 for permit acres are being reinstated on October 21, 1999. Bonded area/permit area.

***Castle Gate Mine** permit area was returned to the original acreage (see April 1998 note)(No change in the permit area has occurred to date/in reclamation, leases still in effect and original permit area is as shown on this table (7619ac (5115.57ac [federal] and 2503.43 ac (non-federal)) and 63 acres of disturbance

***Gordon Creek #2, #7 and #8 Mine** - 2300 acres ([1726 federal and 574 non-federal]); leases relinquished and request permit area revision on September 29, 1999 but not approved to date

***Hidden Valley Mine** - 960 acres [all non-federal]

***J.B. King Mine** - 480 acres [all non-federal]

***Trail Canyon Mine** - 280 acres [all non-federal]

Permitting acreages were:

(These changes were made in reporting in April 1998)

Castle Gate Mine - 7619ac. (5115.57 [federal] and 2503.43 [non-federal])

Gordon Creek #2, #7 and #8 Mine - 2300 acres ([1726 federal and 574 non-federal])

Hidden Valley Mine- 960 acres [all non-federal]

J.B. King Mine - 480 acres [all non-federal]

Trail Canyon Mine- 280 acres [all non-federal]

Changes made in January 12, 2000 Report

Wellington removed 126.3 acres from permit area, now equals 1573.5 acres (approved 12/20/99)

White Oak submitted 160 acre IBC on December 22, 1999

Centennial acreages changed due to reporting errors: Mike Glasson telephone me changes on 1/11/2000: Federal changed from 4744.48 to 4733.51, non-federal changed from 442 to 445.98, disturbed acreage changed from 34.2 to 35.27 and the total permit area changed from 5186.48 to 5179.49.

Changes Made in March 31, 2000 Report

J.B. King Mine - Final bond release on 3/24/2000 - 480 acres of permit area [non-federal] and 28 acres of disturbance

Sunnyside Mine - Forfeiture on 11/22/96/reclamation completed on 7/1/99 - 287.4 acres of non-federal

White Oak Mine - added 160 acres of federal, approved on 3/24/2000

Horizon Mine, - federal lease addition of 393 acres, received on 3/15/2000

No Changes Made in June 30, 2000 Report

Changes Made In September 30, 2000 Report

Skyline Mine - Added 28.7 acres of fee land on August 21, 2000

Changes Made in December 30, 2000 Report

Trail Canyon Mine - Final Bond Release on December 28, 2000 (280 acres of non-federal land, 10 acres of disturbance)

Blazon Mine - Reclamation Completed on October 4, 2000 (7 acres of non-federal land, 4.65 acres of disturbance)

No Changes Made in March 31, 2001 Report

Changes Made in June 30, 2001 Report

SUFCO Mine corrected the federal land acreage from 23,970.03 to 23,952.95. The disturbed area changed from 70.98 to 46.003.

The total permit area is now 24,632.95

The **Skyline Mine** non-federal lands corrected the acreage from 118.6 to 577.6. The disturbed area changed from 72.32 to 74.31.

The permit area total is now 7454.7.

The **Soldier Canyon Mine** federal lands were corrected and changed from 2404 to 4329.15 and non-federal corrected and changed from 5479 to 2327.38, the disturbed was corrected from 24 to 21.82 and the total changes from 7883 to 6656.53.

The **Willow Creek Mine** disturbed area was corrected from 132.9 to 161.55 acres.

The **Bear Canyon Mine** disturbed area was changed from 24 to 36.14 for the Wild Horse Ridge Addition.

Emery Deep Mine disturbed area changed from 50 to 247 to match Exhibit A.

Dugout Mine corrected federal from 2426 to 2467, disturbed corrected from 20.1 to 22.65, total acres changed from 7169 to 7210.

Crandall Canyon Mine corrected non-federal from 1639.70 to 1736, disturbed acres from 20 to 10.7, total acres from 5098 to 5195.

Banning Loadout corrected from 24 to 24.42 for federal acres, 21 to 21.6 for disturbed acres and permit total from 36 to 36.42.

Horse Canyon Mine due to the Lila Canyon Mine federal lease addition changed (and corrected) from the federal acres from 1968.1 to 5203.17, the nonfederal from 4493.73 to 828.9, the disturbed area from 87 to 122.49, and the total permit area from 6461.83 to 6032.07 acres.

Star Point Mine corrected the total permit area from 9084 to 9060 acres, the disturbed acres from 173.2 to 220 and the federal acres from 6945 to 6921.

White Oak Mine corrected the federal acreage from 2690 to 2518.59, the non-federal from 1376 to 1387.41 acres. The permit total changed from 4066 to 3906 acres.

Wildcat Loadout disturbed acreage changed from 60 to 63.7

Changes Made in September 30, 2001 Report

Dugout Mine corrected from 7210 acres to 7083.71 acres (corrected per Leach Field Amendment)

Cottonwood/Wilberg Mine corrected from 11,508 to 11,532 (on Reclamation Agreement)

SUFCO Mine corrected the disturbed area from 46.003 to 27.364 per an amendment.

Changes Made in December 31, 2001 Report

West Ridge Mine – added 1646.34 acres of federal coal, now equals 4306.61

Deer Creek Mine – added Mill Fork Tract (5562.82 acres) and Lease Modification, (65.7 acres), now equals 24,638.52 acres

Des-Bee-Dove Mine - reduced permit area from 2847 acres to 154.86 acres.

Gordon Creek #2, #7 and #8 Mine - reduced permit area from 2286 acres to 180 acres. Disturbed acreage corrected to 34.88 acres.

Changes Made in March 31, 2002 Report

Savage Coal Terminal disturbed area changed from 122 to 122.28 acres.

Skyline Mine disturbed area changed from 74.31 to 79.12 acres due to correction in plan. Permit area changed from 7554.7 to 7037 due to area calculation errors.

Soldier Canyon Mine disturbed area changed from 21.82 to 24.32 acres due to corrections. Permit area changed from 6656.53 acres to 6624.64 acres due to calculation errors.

Star Point Mine disturbed area changed from 220 acres to 213.4 acres due to corrections.

Trail Mountain Mine disturbed area changed from 24.78 acres to 10.69 acres due to corrections.

West Ridge Mine federal acreage changed from 4297.01 to 3083.38 acres, changes in Whitmore Canyon Tract. Nonfederal acreage changed from 120 to 1224.251, changes in Whitmore Canyon Tract. Disturbed area changed from 29 to 29.06 acres. Permit area changed from 4306.61 to 4307.63 acres.

Added forfeiture site acreages: **Blazon** (7 acres), **Boyer** (129 acres), **New Tech** (3 acres), **Summit Minerals** (14 acres), and **Sunnyside** (287.4 acres).

Changes Made in June 30, 2002 Report

Centennial Mine added 240 acres to the permit area, the Mathis Lease.

Changes made in September 30, 2002 Report

Skyline Mine added 84 acres to the permit area, IBC of private coal/private land, approved 8/14/02.

Skyline Mine adding 3243 federal coal and surface acres (North Lease aka Winter Quarters).

White Oak Mine, corrected disturbed area from 140.2 to 151.1 acres (surface mine operation correction).

Changes Made in the December 30, 2002 Report

Skyline Mine added 3291 federal coal and surface acres (North Lease), totals were changed to 9688 federal lands, 686 non-federal lands.

Changes Made in the March 31, 2003 Report

Star Point Waste Fuel (Refuse), 152.81 acres (permit and federal acres), 88.78 disturbed acres

Star Point, reduced area (Star Point Waste Fuel [Refuse]), 8931.19 permit area, 124.62 acres of disturbed area, 6792.19 acres of federal acreages.

Changes Made in the June 30, 2003 Report

West Ridge Mine, added 74.92 fee coal and surface acres (Penta Creek addition).

No Changes Made in the September 30, 2003 Report

Changes Made in the December 31, 2003 Report

Crandall Canyon Mine, add 880 acres to the permit area (federal acres), South Crandall Canyon submittal

Emery Deep Mine, revised the permit area from 5180 to 5060 acres (correction), decreased the non-federal lands from 4375 to 4255 due to correction, and revised the disturbed area from 247 acres to 289.6 (added 1.5 acres and the others were corrections).

Star Point Mine, revised the permit to 8925.55 acres due to Phase III bond release (gas wells), revised the non federal acreage to 2133.36 from 2139 acres also.

Dugout Mine, revised disturbed area from 22.65 to 51.1 to include refuse pile and degas wells.

Changes Made in the March 31, 2004 Report

Deer Creek Mine, permit area reduction, permit area reduced from 24, 638.52 to 22, 769.06 (federal lands reduced from 17, 141.52 to 16, 028.72, non-federal lands reduced from 7497 to 6740.34, and the disturbed area reduced from 95.8 to 84.34 acres [no bond release for disturbed acreage, correction from surveyed areas])

Cottonwood/Wilberg Mine, permit area reduction, permit area reduced from 11,508 to 6886.88 (federal lands reduced from 10,978 to 6786.88, nonfederal lands reduced from 530 acres to 100 acres, and disturbed area reduced from 101.74 to 62.82 – revised in 2002, corrected ROW at waste rock site)

Dugout Mine, adding 2360 acres, SITLA coal lease, no federal acreage (4616.71 federal acres)

Centennial Mine, adding 1182.53 acres (702.53 federal, 480 non-federal)

Crandall Canyon Mine, adding 40 acres of federal to the South Crandall Canyon submittal

No changes to the June 30, 2004 Report

Changes Made in the September 30, 2004 Report

Willow Creek Mine, Phase III bond release approved on October 9, 2003 for 7.51 acres (now 154.04 acres)

Star Point Mine, Phase III bond release approved on December 24, 2003 for 5.64 acres (now 113.34 acres)

Gordon Creek #2, #7 and #8 Mine, Phase III bond release approved on October 9, 2003 for .73 acres (now 34.15 acres)

Bear Canyon Mine, IBC lease modification for 40 acres submitted on September 22, 2004 (40 federal acres)

Changes Made in the December 31, 2004 Report

Crandall Canyon Mine, 120 acre IBC submitted on 10/21/04, approved on March 28, 2005

Changes Made in the March 31, 2005 Report

West Ridge Mine, added 50 acres IBC fee, approved on 4/15/2005

West Ridge Mine submitted SITLA lease application (1638 acres) on 3/2//2005, approved 9/27/05

Changes Made in the June 30, 2005 Report

Emery Mine, submitted to add 348 acres of fee on 4/11/2005 (nonfederal acres from 4255 to 4603 acres) and permit area total (from 5060 to 5408 acres), approved 10/3/05

SUFCO Mine, submitted to add 2134 acres of SITLA coal/FS surface on 2/11/2005 (federal from 23,952.95 to 26, 086.95 acres) and permit total (from 24,632.95 to 26,766.95 acres), approved 1/20/06

Dugout Mine, corrected acreages, federal from 2467 to 2804 acres, nonfederal from 69766.71 to 6667 acres, and permit total from 9443.71 to 9471 acres, approved 6/24/05.

Horizon Mine, corrected acreages, federal from 1684.49 to 1272 acres, nonfederal from 317.5 to 305 acres and permit total from 1998.99 to 1577 acres, MPA approved on 8/4/05.

Changes Made in the September 30, 2005 Report

Deer Creek Mine, correction in the permit area, from 22,769.06 acres to 22,213.70 acres. Federal lands changed from 16, 028.72 acres to 15,473.36 acres. Disturbed acres changed from 84.34 acres to 97.44 as a result of the approval of the Rilda Canyon surface facilities. Surface facilities approved by State on 7/27/05, MPA on 12/21/2005

Bear Canyon Mine, added 4763.36 acres of federal lands for lease addition submitted on July 22, 2005 and 2740 acres of fee land for the same proposal that date. 40 acres of federal were added and approved on September 26, 2005 (approved acreage is 4416.18 acres). Total acres (including under review is 10, 919.54 acres).

Skyline Mine, correction of federal from 9688 to 9736 acres and non-federal changes from 686 to 638 acres. The total is the same.

West Ridge Mine, SITLA leases added 40 more acres, total acreage now 6114.89 acres, non-federal from 2987.17 to 3031.51 acres, approved on 9/27/05

No Changes Made in the December 31, 2005 Report

Changes Made in the March 31, 2006 Report

Bear Canyon Mine, corrected disturbed acres from 36.64 to 40.46 acres

Horse Canyon Mine, corrected permit total from 6032.07 to 5992.07 acres and non-federal lands from 828.9 to 788.9 acres

Changes Made in the June 30, 2006 Report

West Ridge Mine, corrected federal acres to 4297.01 from 3083.38 acres and non-federal to 1817.88 acres from 3031.51 acres.

Coal Hollow Mine, application received on Jun 27, 2006 for fee coal/fee surface. There are 635.64 acres of permit area and 548 disturbed acres, note - 200 acres of unleased federal coal.